

AMENDED IN SENATE JUNE 10, 2010

AMENDED IN SENATE JUNE 7, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 1910

Introduced by Committee on Agriculture (Galgiani (Chair), Tom Berryhill (Vice Chair), Conway, Fuller, Ma, Mendoza, and Yamada)

February 16, 2010

An act to amend Sections 35832, 62582, and 62640 of the Food and Agricultural Code, relating to milk.

LEGISLATIVE COUNSEL'S DIGEST

AB 1910, as amended, Committee on Agriculture. Repasteurized milk: Milk Producers Security Trust Fund: *future shipment coverage eligibility*: handler default.

(1) Existing law prohibits repasteurized milk to be sold as market milk.

This bill would instead authorize repasteurized milk to be reprocessed and sold as “Grade A” product under certain specified conditions and restrictions. The bill would permit the Secretary of Food and Agriculture, upon request, to authorize reprocessing of packaged milk and milk products provided certain requirements are complied with.

(2) *Existing law confers upon the Secretary of Food and Agriculture the ability to establish and administer the Milk Producers Security Trust Fund to protect milk producers against loss of payment for bulk milk transferred to handlers. Existing law authorizes the secretary to determine if future shipments to a handler are not eligible for coverage, subject to specific criteria.*

This bill would provide that future shipments to a handler are automatically not eligible once that handler satisfies specific criteria already in existing law.

~~(2) Existing law confers upon the Secretary of Food and Agriculture the ability to establish and administer the Milk Producers Security Trust Fund to protect milk producers against loss of payment for bulk milk transferred to handlers. Existing~~

(3) Existing law authorizes the secretary to pay money from the Milk Producers Security Trust Fund to the pool equalization fund to cover the amount that a handler defaults in payments to the pool equalization fund if, after consultation with the Milk Producers Security Trust Fund Board, the secretary determines that additional efforts will not result in collection of the amount due.

This bill would require the secretary to first exhaust all administrative and legal remedies within his or her authority against the defaulting handler, and execute all judgments resulting from those remedies, prior to recommending to the board this payment from the Milk Producers Security Trust Fund.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 35832 of the Food and Agricultural Code
- 2 is amended to read:
- 3 35832. (a) Repasteurized milk may only be reprocessed and
- 4 sold as a “Grade A” product under the following conditions and
- 5 restrictions:
- 6 (1) Milk and milk products drained from processing equipment
- 7 at the end of a run, collected from a defoamer system, and milk or
- 8 milk product solids rinsed from equipment, containers, or pipelines
- 9 shall be repasteurized only if that milk or those milk products are
- 10 handled in a sanitary manner and maintained at 45 degrees
- 11 Fahrenheit (7 degrees Celsius) or less. When the handling or
- 12 cooling, or both, of that milk or those milk products is not in
- 13 compliance with this requirement, they shall be discarded.
- 14 (2) Equipment, designated areas, or rooms utilized for handling,
- 15 processing, and storage of returned packaged milk or milk products
- 16 are maintained, operated, cleaned, and sanitized so as to preclude
- 17 the contamination of Grade A products and equipment and the

1 Grade A operations. The repasteurization of milk and milk products
2 shipped in milk tank trucks, which have been pasteurized at another
3 Grade A milk plant and have been handled in a sanitary manner
4 and maintained at 45 degrees Fahrenheit (7 degrees Celsius) or
5 less, is permitted.

6 (3) Packaged milk and milk products that have physically left
7 the premises of the processing plant shall not be repasteurized for
8 Grade A use.

9 (4) Milk and milk products from damaged, punctured, or
10 otherwise contaminated containers, or milk products from
11 out-of-code containers, shall not be repasteurized for Grade A use.

12 (5) All milk and milk products that have overflowed, leaked,
13 or been spilled or improperly handled shall be discarded.

14 (b) Notwithstanding subdivision (a), the secretary may, on a
15 specific request, authorize reprocessing of packaged milk and milk
16 products provided all other requirements of this section, including
17 proper storage temperature and container integrity, are complied
18 with.

19 *SEC. 2. Section 62582 of the Food and Agricultural Code is*
20 *amended to read:*

21 ~~62582. If the secretary determines that future shipments to a~~
22 ~~handler may are not be eligible for coverage under this chapter in~~
23 ~~the event of a default, the secretary shall notify all producers who~~
24 ~~have a contract on file with the secretary, all cooperative~~
25 ~~associations, and other interested parties. The secretary may~~
26 ~~determine that future~~ Future shipments will not be eligible when
27 any of the following events occur:

28 (a) The handler fails to maintain a valid license or bond as
29 required under Chapter 1 (commencing with Section 61301) or
30 Chapter 2 (commencing with Section 61801).

31 (b) The handler has failed to pay producers as required under
32 Chapter 1 (commencing with Section 61301) or Chapter 2
33 (commencing with Section 61801).

34 (c) The handler has failed to pay the amount due the pool
35 equalization fund provided for in Chapter 3 (commencing with
36 Section 62700).

37 (d) The handler fails to submit, when requested by the secretary,
38 executed contracts that establish the relationship between affected
39 parties.

1 ~~SEC. 2.~~

2 *SEC. 3.* Section 62640 of the Food and Agricultural Code is
3 amended to read:

4 62640. If a handler defaults in payments to the pool
5 equalization fund provided for in Chapter 3 (commencing with
6 Section 62700) and the secretary determines that additional efforts
7 will not result in collection of the amount due, the secretary, after
8 consultation with the board, may pay money from the Milk
9 Producers Security Trust Fund to the pool equalization fund to
10 cover the amount of the default. However, the secretary shall first
11 exhaust all administrative and legal remedies within his or her
12 authority against the defaulting handler, and execute all judgments
13 resulting from those remedies, prior to recommending to the board
14 this payment from the Milk Producers Security Trust Fund.